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MINNESOTA SECRETARY OF STATE OFFICE

Mary Kiffmeyer, Secretary of State

March 30, 2006

State HAVA Funding Reports
U.S. Election Assistance Commission
1225 New York Avenue, NW – Suite 1100
Washington, DC 20005

Election Assistance Commissioners:

Enclosed is the Financial Status Report for the State of Minnesota regarding HAVA Title II, Section 251 funds for the reporting period of October 1, 2004 to September 30, 2005.

Minnesota expended \$1,514,053.00 of the Title II, Section 251 funds during this time period. The report does not include interest accrued on HAVA funds and no interest income has been spent.

This report includes the Standard Form 269 (Long Form).


Sincerely,

Mary Kiffmeyer
Minnesota Secretary of State

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FINANCIAL STATUS REPORT
(Long Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted U.S. Election Commission		2. Federal Grant or Other Identifying Number Assigned By Federal Agency HAVA Title II Payments		OMB Approval No. 0348-0039	Page of 1 1 pages
3. Recipient Organization (Name and complete address, including ZIP code) Office of the Minnesota Secretary of State 100 Rev. Dr. Martin Luther King Jr. Blvd., 180 State Office Building, St. Paul, MN 55155					
4. Employer Identification Number E-41600716-N2		5. Recipient Account Number or Identifying Number		6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) 10/1/2004		To: (Month, Day, Year) 9/30/2005		9. Period Covered by this Report From: (Month, Day, Year) 10/1/2004 To: (Month, Day, Year) 9/30/2005	
10. Transactions:		I Previously Reported	I This Period	III Cumulative	
a. Total outlays		0.00	1,514,053.00	1,514,053.00	
b. Refunds, rebates, etc.		0.00	0.00	0.00	
c. Program income used in accordance with the deduction alternative		0.00	0.00	0.00	
d. Net outlays (Line a, less the sum of lines b and c)		0.00	1,514,053.00	1,514,053.00	
Recipient's share of net outlays, consisting of:					
e. Third party (in-kind) contributions		0.00	0.00	0.00	
f. Other Federal awards authorized to be used to match this award		0.00	0.00	0.00	
g. Program income used in accordance with the matching or cost sharing alternative		0.00	0.00	0.00	
h. All other recipient outlays not shown on lines e, f, g and h		0.00	0.00	0.00	
i. Total recipient share of net outlays (Sum of lines e, f, g and h)		0.00	0.00	0.00	
j. Federal share of net outlays (line d less line i)		0.00	1,514,053.00	1,514,053.00	
k. Total unliquidated obligations				37,664,735.00	
l. Recipient's share of unliquidated obligations				0.00	
m. Federal share of unliquidated obligations				37,664,735.00	
n. Total Federal share (sum of lines j and m)				39,178,788.00	
o. Total Federal funds authorized for this funding period				39,178,788.00	
p. Unobligated balance of Federal funds (Line o minus line n)				0.00	
Program income, consisting of:					
q. Disbursed program income shown on lines c and/or g above				0.00	
r. Disbursed program income using the addition alternative				0.00	
s. Undisbursed program income				0.00	
t. Total program income realized (Sum of lines q, r and s)				0.00	
11. Indirect Expense	a. Type of Rate (Place "X" in appropriate box) <input checked="" type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed				
	b. Rate	c. Base	d. Total Amount	e. Federal Share	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title Mary Kiffmeyer, Minnesota Secretary of State			Telephone (Area code, number and extension) (651) 296-2079		
Signature of Authorized Certifying Official 			Date Report Submitted March 30, 2006		

FINANCIAL STATUS REPORT

(Long Form)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0039), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.

Please type or print legibly. The following general instructions explain how to use the form itself. You may need additional information to complete certain items correctly, or to decide whether a specific item is applicable to this award. Usually, such information will be found in the Federal agency's grant regulations or in the terms and conditions of the award (e.g., how to calculate the Federal share, the permissible uses of program income, the value of in-kind contributions, etc.). You may also contact the Federal agency directly.

Item	Entry	Item	Entry
1, 2 and 3.	Self-explanatory.	10b.	Enter any receipts related to outlays reported on the form that are being treated as a reduction of expenditure rather than income, and were not already netted out of the amount shown as outlays on line 10a.
4.	Enter the Employer Identification Number (EIN) assigned by the U.S. Internal Revenue Service.	10c.	Enter the amount of program income that was used in accordance with the deduction alternative.
5.	Space reserved for an account number or other identifying number assigned by the recipient.	Note:	Program income used in accordance with other alternatives is entered on lines q, r, and s. Recipients reporting on a cash basis should enter the amount of cash income received; on an accrual basis, enter the program income earned. Program income may or may not have been included in an application budget and/or a budget on the award document. If actual income is from a different source or is significantly different in amount, attach an explanation or use the remarks section.
6.	Check yes only if this is the last report for the period shown in item 8.	10d.	e, f, g, h, i and j. Self-explanatory.
7.	Self-explanatory.	10k.	Enter the total amount of unliquidated obligations, including unliquidated obligations to subgrantees and contractors.
8.	Unless you have received other instructions from the awarding agency, enter the beginning and ending dates of the current funding period. If this is a multi-year program, the Federal agency might require cumulative reporting through consecutive funding periods. In that case, enter the beginning and ending dates of the grant period, and in the rest of these instructions, substitute the term "grant period" for "funding period."		Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an outlay has not yet been recorded.
9.	Self-explanatory.		Do not include any amounts on line 10k that have been included on lines 10a and 10j.
10.	The purpose of columns, I, II, and III is to show the effect of this reporting period's transactions on cumulative financial status. The amounts entered in column I will normally be the same as those in column II of the previous report in the same funding period. If this is the first or only report of the funding period, leave columns I and II blank. If you need to adjust amounts entered on previous reports, footnote the column I entry on this report and attach an explanation.		On the final report, line 10k must be zero.
10a.	Enter total gross program outlays. Include disbursements of cash realized as program income if that income will also be shown on lines 10c or 10g. Do not include program income that will be shown on lines 10f or 10s.	10l.	Self-explanatory.
	For reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct costs for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subrecipients. For reports prepared on an accrual basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase or decrease in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, subgrantees and other payees, and other amounts becoming owed under programs for which no current services or performances are required, such as annuities, insurance claims, and other benefit payments.	10m.	On the final report, line 10m must also be zero.
		10n.	o, p, q, r, s and t. Self-explanatory.
		11a.	Self-explanatory.
		11b.	Enter the indirect cost rate in effect during the reporting period.
		11c.	Enter the amount of the base against which the rate was applied.
		11d.	Enter the total amount of indirect costs charged during the report period.
		11e.	Enter the Federal share of the amount in 11d.
		Note:	If more than one rate was in effect during the period shown in item 8, attach a schedule showing the bases against which the different rates were applied, the respective rates, the calendar periods they were in effect, amounts of indirect expense charged to the project, and the Federal share of indirect expense charged to the project to date.



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Help America Vote Act (HAVA) Financial Status Report For January 1 – September 30, 2005

Minnesota received \$39 million in Title II funding. All the funding is being spent in accordance with the provisions of Section 251. The following is Section 1 of the Minnesota State Plan for HAVA regarding Title II Payments.

State of Minnesota HAVA State Plan - Section 1 Title II Payments

Section 1 of the Minnesota State Plan describes "how the State will use the requirements payment to meet the requirements of Title III, and, if applicable under Section 251(a)(2) *sic*, to carry out other activities to improve the administration of elections" as required by Public Law 107-252, Help America Vote Act of 2002, Section 254(a)(1).

To meet the requirements of Title III, Minnesota will expend funds from the State HAVA account established by the 2003 Minnesota state legislature as directed by the legislature. (Laws 2003, First Special Session, Chapter 7, Sections 1 and 3).

Requirements payment expenditures will be used for the Title III purposes as described in State Plan Sections 1.1 through 1.7, by expenditures for:

- Equipment, software, technical or physical infrastructures, materials, services, salaries, overhead;
- Other expenses related to the activities described in this Section;
- Planning, development, implementation, documentation, maintenance and operation, and administration of the activities, and
- Outreach, education, and training to promote the activities

After certification by the State of Minnesota to the Election Assistance Commission that the requirements described in Title III of HAVA have been met, requirements payments received and earnings accrued in the fund may be expended for other purposes related to the improvement of the administration of federal elections, HAVA Section 251(b)(2), subject to legislative appropriation.

The State of Minnesota will use HAVA Title II funds, in addition to HAVA Title I funds, to plan, develop, and implement a uniform statewide voter registration system to meet HAVA Title III requirements.



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The system will:

- provide a unique identifier for every voter in the system;
- coordinate with other State agency's databases to permit verification of registration data;
- identify ineligible registrants;
- provide increased system access for local election administrators;
- permit the administration of requirements for voters who register by mail; and
- accommodate the use of Minnesota driver license numbers and Social Security information as identifiers in voter records.

System development will also modify existing system elements and functionalities to preserve system integrity, ensure quality and be sufficiently robust to support increases in the number of users.

The State of Minnesota operates on a fiscal year ending June 30th.

From October 1, 2004 to September 30, 2005, the Title II funds previously appropriated were expended as follows:

<u>Description</u>	<u>Expended Amount</u>
Modify Statewide Voter Registration System	\$1,186,214.00
Enhance the Statewide Voter Registration System	\$ 306,012.00
To make the Voter Regis. System available for use by local election officials	\$ 2,145.00
To assist local election officials using the statewide voter regis. System	\$ 1,122.00
To administer implementation of the Help America Vote Act & audit grants	\$ 7,003.00
To establish the state voting systems contracts	\$ 11,557.00
Total	\$1,514,053.00

Note: The expended funds were used for salaries & a contract for consultants.

Development of the Statewide Voter Registration System has continued to be modified and enhanced. Expenditures represent the necessary development staff (both internal and external), and other development activities.

These activities are described more fully below:

The HAVA-compliant statewide voter registration system in operation in Minnesota, in accordance with Section 303(a) – Computerized Statewide Voter Registration List, has been operational since June 21, 2004. Minn. Stat. § 201.022 was amended in Laws 2004, Chapter 293, to come into compliance with the requirements of HAVA for a voter-registration system,



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and the statewide voter registration system was brought into conformance with the statute. The amount indicated above was used to further modify and enhance the system.

In accordance with Section 303(a)(5)(B), the Secretary of State has entered into an agreement with the Department of Public Safety to verify voter eligibility information. The State system verifies records where information matches exactly. The SVRS System presents records with potential matches that are not exact matches to counties for determination.

In addition, the State of Minnesota has an agreement with the State's Court Administrator to receive non-electronic, paper information to identify voters who are ineligible due to legal incompetence and/or felony conviction. The office is in the process of implementing electronic data transfer of this information. Also, State court records are used to identify voters whose eligibility to vote has been restored (voters under guardianship with voting rights or voters with previous felony convictions whose sentences are completed and civil rights restored). State vital statistics death records are used to identify deceased voters. These state agency records are compared with the computerized voter list records.

During this reporting period, the statewide system has been further enhanced to provide a single, uniform, centralized, computerized voter list; an interactive capability so that any election official in an election office in the state has immediate, electronic access to the computerized voter list; the capacity to assign a unique identification number such as the driver's license number, last four digits of SSN, or other unique identifier for each legally registered voter; the capability for electronic matching of information in the computerized voter list with other state agency databases to verify voter eligibility (for instance, drivers' licenses and, in the future, SSN); and absentee ballot administration with an interactive capability so that any election official in an election office in the state has immediate, electronic access to computerized absentee ballot records.

Local election officials have "immediate electronic access" to the computerized voter list through computerized access to query voter registration information and to enter new or update existing voter registration information. During the time period of this report, development was continued in implementing view-only access for municipal clerks.

The system is designed to track which voter applications are received through the mail and to apply HAVA identification requirements, as applicable. When these records have been successfully matched against DVS records during the verification process, the system applies a flag to the voter record to indicate that the requirements of paragraph (1) of Section 303(b) are not applicable to that voter.